



Conservative Fund

Monthly Update as at 30 November 2024

PORTFOLIO MANAGER(S)



MIKE TAYLOR
Founder and Chief
Investment Officer



TRAVIS MURDOCH
Head of Fixed Income and
Portfolio Manager

FUND COMMENTARY

The Conservative Fund delivered a return of 1.7% during November, bringing its 12-month performance to 9.9%.

November was dominated by the US elections, which significantly influenced global markets. A Trump victory, coupled with Republican control of Congress and the Senate, propelled US equities to outperform other regions by a wide margin. Trump's proposed policies, including lower taxes and higher tariffs, are expected to have mixed outcomes depending on their implementation. However, in the short term, markets have interpreted these measures as positive for US assets while viewing them as neutral or negative for other regions.

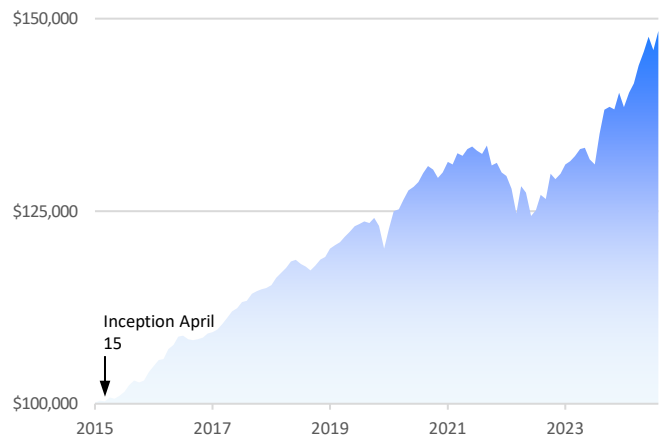
In response, we increased our exposure to the US by adding some new investments, including Tesla, which stands to benefit from favourable legislation expected under the Trump administration; Caterpillar, anticipated to see robust demand for its construction and mining equipment; and Constellation Energy, likely to gain from a more positive outlook on nuclear energy and increased demand from data centres signing long-term power contracts. We have also upped our weight to Bitcoin.

Fixed-income markets continued their rough ride in the lead-up to the election as economic data in the US remained firm and bond markets worried about higher government deficits under either presidential candidate. However, post-election, government bond markets regained composure, and yields closed out the month lower than where they started. New Zealand yields only managed to end the month marginally lower despite a 0.5% rate cut from the RBNZ. Although the OCR has now fallen from 5.5% to 4.25%, we continue to think that rates are too high for the state of the NZ economy and that the RBNZ has been too slow to start cutting rates.

Looking forward, the Santa rally may have come early this year. We expect some volatility and uncertainty to return in early 2025 around tariffs, taxes and the Ukraine war once Trump is inaugurated in January.

CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today, before tax.



FUND DETAILS

Recommended minimum investment period

3 years

Objective

Capital preservation (with some growth) which outperforms the market index over a period exceeding three years.

Description

Invests predominantly in fixed-interest securities and some cash, with an allocation to equities (directly or through other products issued by Pie Funds). It may also invest in other products such as term deposits and bonds.

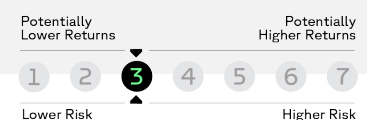
Inception date

April 2015

Standard withdrawal period

5 working days

Risk indicator





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PERFORMANCE

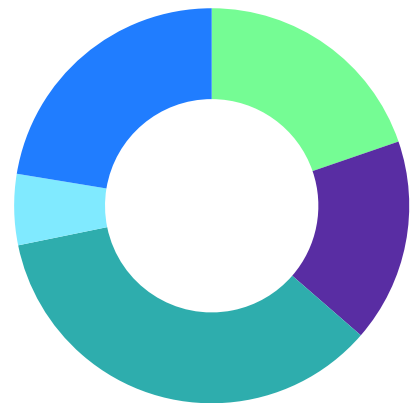
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Conservative Fund	1.7%	9.9%	3.8%	3.7%	3.9%	4.2%
MARKET INDEX ¹	1.7%	12.4%	4.5%	4.0%	4.5%	4.8%

Returns after fees but before individual PIR tax applied

The market index is a composite index (25% NZBond Bank Bill Index (NZD), 15% Bloomberg NZBond Credit 0+ Yr Index (NZD), 35% Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD), 6% S&P/ASX All Ordinaries Total Return Index (75% hedged to NZD), 19% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)).

INVESTMENT MIX

Cash (including Derivatives)	19.7%
New Zealand Fixed Interest	16.7%
International Fixed Interest	35.4%
Australasian Equities	5.8%
International Equities	22.4%



Asset allocation is rounded to the nearest tenth of a percent; therefore, the aggregate may not equal 100%

TOP FIVE HOLDINGS (EXCLUDING CASH)

ASB Bank Ltd 5.24% 18/10/2027
Bank of New Zealand 4.889% 19/11/2029
International Business Machine 3.625% 06/02/2031
Morrison & Co High Conviction Infrastructure Fund
Transpower New Zealand Ltd 4.977% 29/11/2028

Holdings are listed in alphabetical order.

UNIT PRICE

\$1.24

ANNUALISED RETURN SINCE INCEPTION

4.2% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 30 November 2024. Pie Funds Management Limited is the manager and issuer of the funds in the Pie Funds Management Scheme. Any advice given by Pie Funds Management Limited is general only. Our advice relates only to the specific financial products mentioned and does not account for personal circumstances or financial goals. Please see a financial adviser for tailored advice. You may have to pay product or other fees, like brokerage, if you act on any advice. As manager of the Pie Funds Management Scheme investment funds, we receive fees determined by your balance, and we benefit financially if you invest in our products. We manage this conflict of interest via an internal compliance framework designed to help us meet our duties to you. For information about how we can help you, our duties and complaint process and how disputes can be resolved, or to see our product disclosure statement, please visit www.piefunds.co.nz. Please let us know if you would like a hard copy of this disclosure information. Past performance is not a reliable indicator of future returns. Returns can be negative as well as positive, and returns over different periods may vary.